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INFO RUCNCOM/EC CARICOM COLLECTIVE PRIORITY

C O N F I D E N T I A L NASSAU 000591

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E.O. 12958: DECL: 08/13/2018
TAGS: [PGOV](#) [ELAB](#) [BF](#)
SUBJECT: LABOR UNREST ROCKS BAHAMAS

REF: 07 NASSAU 268

Classified By: DCM Zuniga Brown for Reasons 1.4 (b) and (d)

¶1. (U) SUMMARY: Labor unrest broke the summer lull on three Bahamian islands in the past week and brought the capital's central avenue to an unexpected standstill mid-morning August 11. A union-sanctioned strike at Morton Salt on Great Inagua August 8 caused management to cease operations indefinitely; \$20,000 salt pumps were fire-bombed. In Nassau, surprise demonstrations by telecoms workers shut down the main tourist street August 11 and were followed by similar action in the center of Freeport, Grand Bahama August 12. Telecom management obtained a court injunction against further work stoppages. Immediate government reaction was muted, perhaps in light of the Prime Minister being on vacation. END SUMMARY.

STRIKE CLOSES EMBATTLED MORTON SALT OPERATION

¶2. (U) Unionized workers at Morton Salt Company's operation on Great Inagua Island, in the extreme south of the island chain, went on strike August 8 three weeks after a strike vote. Management announced the indefinite suspension of operations the same day. Workers reportedly struck in protest at the firing of a master electrician (also the union vice-president). Union representatives were unhappy with Morton's referral of the dispute to the independent Industrial Tribunal. Critical salt water pumps, worth \$20,000 each, were firebombed. Minister of Labor Dion Foulkes travelled to the island to mediate August 11. The strike came at a bad time for Morton Salt, which has yet to recover from production difficulties associated with unusually rainy weather last year. Union-management relations at the plant, which employs the majority of the island's workers, have been rocky (reftel). Morton is the sole major employer on the island, which also hosts the OPBAT/U.S. Coast Guard base.

TELECOMS WORKERS DEMONSTRATE IN NASSAU, FREEPORT

¶3. (U) A couple of hundred workers from the state-owned telecoms monopoly, BTC, protested against on-going the company's privatization by parking company vehicles in the middle of Bay Street - Nassau's main tourist and commercial thoroughfare. Mid-morning traffic and commerce came to standstill August 11. BTC workers staged a similar action in Freeport, Grand Bahamas, the nation's second city, August 12 and rumors were circulating that the union was planning to choke roads to Nassau's airport. Unions claim to support the goal of privatization but accuse the government of excluding them from relevant negotiations. BTC management and government officials expressed surprise, suggested the opposition Progressive Labour Party was behind the spate of actions and termed the events unlawful, unhelpful, and disruptive of the greater economy. The government ministers characterized the BTC workers as misguided and self-defeating, and even thankless in the case of BTC, whose

workers received large payouts from the previous FNM administration in advance of planned privatization, which the PLP administration put on hold. BTC management filed an injunction August 13 to force a halt to similar labor disturbances, which the court granted.

LABOR MINISTRY OFFICIAL OPTIMISTIC ABOUT RESOLUTION

14. (C) A senior official in the Ministry of Labor told PolOff he was sanguine about quick resolution of the BTC issue, calling the unusually high-profile union actions unjustified and ascribing them to union leadership posturing in advance of national elections early next year. He felt labor would be easily (and quietly) mollified by the GCOB in this case, as a judge had quickly ruled in favor of management and public reaction to the disruptive demonstrations was not entirely favorable. With respect to Morton Salt, he was also optimistic, saying that negotiations were continuing, with a management delegation coming to Nassau from the U.S. to continue talks. He decried what he saw as an unnecessarily adversarial approach from labor, even taking into account their fear of &union-busting8 in the case of the dismissed worker. He pointed to inadequate engagement of lower management with other issues which were &allowed to fester8 and contributed to the strike, also citing indiscipline and lack of trust between labor and management. He called it a &unique case8, as Great Inagua is a basically one-company island with about a thousand residents.

15. (C) COMMENT: GCOB reaction to the spate of labor action has been muted, perhaps due to Prime Minister Ingraham,s absence from The Bahamas on vacation. The unions may have overplayed their hand; a public backlash for such harsh labor action that immediately threatens the island,s tourism lifeblood is not popular. If continued, labor activity such as the firebombings on Great Inagua and the road blockage of Bay Street and Atlantis Resort could give potential foreign direct investors pause.
ZUNIGA-BROWN